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November 12, 2001

Paul I. Neidich
Examiner, Environmental Claims
Highlands Insurance Group
P.O. Box 6426
1000 Lenox Drive
Lawrenceville, NJ 08648-0426

**Re: Potential Claim for Environmental Damage
in the Coeur d'Alene Basin, Northern Idaho
Insured: Group R. Co., Inc.
Claim Nos.: 62990 through 62994**

Dear Mr. Neidich:

This is in response to your letter dated October 26, 2001, to Michael Lichtenstein of this office. Your letter indicates that you only have in your file our letter dated October 31, 1997. We sent letters dated February 5, 1998, and May 27, 1998, to Thomas D. Pitts in Highlands' Houston, Texas, office. Copies of those letters are enclosed herewith for your review and records.

As you will see from our May 27th letter, by Order dated March 31, 1998, Judge Edward L. Lodge denied without prejudice the United States' and the Coeur d'Alene Tribe's motions to amend their Complaints to add Group R as a defendant. To our knowledge, the status of this matter has not changed since my letter of May 27th. Specifically, Group R has not been named as a defendant and, to our knowledge, the EPA has not renewed its motion to amend its Complaint and name Group R as a defendant.

We will keep you advised of all future developments. If you have any questions or wish to discuss this matter further, please do not hesitate to contact me or Mr. Lichtenstein.

Very truly yours,


David M. Wissert

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Enclosures

cc: Michael David Lichtenstein, Esq. (w/o encl.)



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